THE DISCONTENT OF THE FARMER.

No one now doubts the existence of serious discontent among our farmers, especially south of the Ohio and west of the Mississippi. Save in the days of agrarian uprising in the Roman empire, the Peasant revolt in Germany, and Wat Tyler's rebellion in England, the world has been in the habit of regarding its farm population as preëminently conservative. Yet, to-day, if one desires to search out that part of the country which is most fully permeated with the ideas of nationalism, and which seeks such remedies for distress as government ownership of railways and mines, government loans to farmers, and a large increase of our money, he must turn to the far West and to some of the Gulf states. But the farmers are not likely long to stand alone. No one who mingles much with our wage-earners and reads their papers can doubt that a few repetitions of Homestead and Buffalo will bring to light even a greater radicalism among our wage-earners than is now seen among the farmers. The situation demands serious study. What has led the farmer to his present attitude?

The one fact above all others complained of by farmer and wage-earner alike is relative, not absolute, decline in the share of national income secured. The city grows faster than the country. The income of capitalist, or monopolist, or speculator, or man of large affairs grows faster than that of the farmer or wage-earner. Since 1850, the proportion of our population in cities of 8,000 inhabitants and over has grown from 12.49 per cent. to 29.12 per cent. A considerable portion of the agricultural counties throughout the land are decreasing or are stationary in population, while the manufacturing and commercial centers are fast growing. In Europe, also, there is comparatively little emigration from manufacturing centers, but a great quantity from farming sections, however rich the soil. The percentage of the estimated true valuation of the country,

according to the census, that was invested in farms was 41.1 per cent. in 1860, 30.9 per cent. in 1870 and 23.3 per cent. in 1880. Probably it is below 18 per cent. now. After the decennial assessment of Ohio was taken in 1890, the state board reduced the farm assessments 15 to 20 per cent., and still the real estate assessment in the country districts showed a fall of 17 per cent. in 10 years, and the city real estate a gain of 38 per cent.

It does not break the force of this fact, if we notice that the mortgage indebtedness on farms has been incurred chiefly for improvements and is less than some feared. The facts on this point, as far as at hand, however, should be noticed.

TABLE I.

PERCENTAGES OF MORTGAGES IN FORCE OF THE ESTIMATED VALUE OF ALL TAXED ACRES (NOT CITY REAL ESTATE).

Tennessee,	5.83	Missouri,	13.52	Iowa,	17.96	Kansas,	29,27
Alabama,	11.58	Illinois,	13.27	Nebraska,	28.85		

More to the point under consideration, the relative decline of farms, is the revelation of the census of 1890 on the percentage of all farm families that are tenants. In Kansas and Ohio returns for only ten counties are yet given, and the percentage in 1880 in Iowa is pronounced by the census department a little too low.

TABLE II.

PERCENTAGE OF FARM FAMILIES HIRING FARMS.

	1880	1890		1880	1890
Maine,	2.50	7.33	Ohio,	24.96	37.10
Massachusetts,	6.70	14.20	Iowa,	23.83	29.57
Rhode Island,	19.50	23.25	Kansas,	13.13	33.25
New Jersey,	24.60	32.11			
Maryland,	30.95	37.23	Averages,	17.93	25.69
Virginia,	15.20	20.20			

A similar rapid growth of farm tenancy is being found nearly everywhere, as further bulletins of the Census Bureau will soon show. It is the object of the present article to briefly examine ten causes that often are, or may be, assigned for this failure of farming to increase in profit or attractiveness, or both, as fast as occupations in the city.

I. Growth of machinery and national wealth. As the world grows richer there is a more rapid increase in the demand for

the finer products than in the demand for raw material. The rich man does not require a much greater quantity of wool, or leather, or pounds of meat than does a poor man. He simply wants, as regards them, better preparation or serving. This means more growth of cities, factory towns and railroads than of farms. A less and less proportion of the labor force of the world, thanks to improvements in industrial tools and processes, is yearly needed to supply the raw material of our food, shelter, clothing and the like. A greater and greater proportion of our labor force is left free to satisfy the new and often higher cravings, as for education, amusement, travel, domestic service and all the comforts and luxuries of life. Thus the relatively faster growth of our cities, where most of this work is necessarily done, than of our farms is to some extent a proof of advancing civilization. We find it in all developing countries, as France, Germany, England.

The growth of large cities does not necessarily mean the growth of unsanitary and deplorable conditions. This, Sir Charles Dilke shows us, has been proven in Melbourne. Of course we must learn how to control sanitation, education, child labor, civil service and natural monopolies of light and street transportation in our cities. In view of the gradual awakening on these subjects, the situation begins to appear promising for reform. We may talk all we please of the beauties of farm life, but people are sure to follow in large degree their pecuniary and gregarious instincts, and to settle in the city or its extensive suburbs, where, among other advantages, life will be easier for the wife, and where they may benefit society more than they could on the farm. Yet some of this rush to the city seems due to real grievances or mistakes of the farmer which can and should be remedied. To them we will now turn.

II. A second cause of the farmer's relatively poor situation and therefore of his discontent, especially in the South, is lack of thrift, energy and intelligence in adopting improved methods of farming. It would be easy to dilate at great length on the poor farm machinery and mules, the shiftless, lazy methods of tilling the soil on the part of not all, but a large proportion of the

white and black farmers of the South. Especially is this true of the tenant farmers on shares. The tenant with little or no capital buys everything at 20 per cent. to 100 per cent. above cost and gives the merchant a mortgage on the growing crop. Soon the tenant is so hopelessly in debt that if he works unusually hard and earns an additional $10 it must go to his creditor. In such circumstances, which prevail less in Virginia, Kentucky and Tennessee than farther South, what stimulus is there for a man to save?

Conditions in these regards are slowly improving. Such instances as the following have a wonderfully inspiring influence for good upon the people. Near Little Rock, Arkansas, a friend interested in a canning factory persuaded a farmer to transfer part of his land from cotton to tomatoes. With the same expense on the same quality of land the farmer obtained $32 per acre of cotton and $102 per acre of tomatoes. A few years ago in Craven county, in eastern North Carolina, land rented for $1 and $2 a year per acre. With the introduction of truck-farming for the northern market, land has increased in value more than ten-fold. One colored pioneer in this work earned from a crop of radishes, the first year, enough to pay his rent for ten years. In western Tennessee fortunes have been made in small fruits, and a great future is open in the central part of the state for grapes, larger fruits and vegetables. In eastern Iowa, thrifty German farmers, while greatly lacking in public spirit, have made money and paid good prices for farms upon which the less frugal or patient native American could make little profit.

Just before closing a three years' residence in Tennessee the writer, in July, 1892, through the investigation of some of his students in their home counties, secured evidence of recent improvement of agricultural methods in Kentucky, Tennessee, Alabama, Mississippi and Texas. Much testimony was also given to the continued ignorant farm methods among the large tenant population, both white and black. A few extracts from these studies may be of interest. A student in a county of north-

eastern Alabama writes: "The land in this section is nearly all in the hands of large holders and is worked by tenants. It is all in the hands of white owners, with a single exception. The chief crop is corn, and the next, cotton. Often ten per cent. interest is charged on land mortgages. A certain local bank is known to have charged as high as twenty-four per cent. The owners of the farms, as a rule, the single black owner being no exception, are thrifty and provident. Not so the tenants, two-thirds of whom are white. Both black and white work no more than is necessary to cultivate and to harvest their crops. The remainder of their time they spend in lounging about the stores and shops. About two-thirds of the growing crops are annually mortgaged. The chief articles of diet among the tenant classes are bread, hog meat, coffee and rice. Nearly everyone has one or more cows, but no small fruits or orchard products. Fish they do not use, and fresh meat is a delicacy enjoyed but once a year. These conditions hold of both races. Hitherto the landlord has been paid in a share of the crop—one-half to two-thirds when he furnishes the stock (mules, implements, etc.), otherwise one-third—but money payments are fast coming into vogue, and land owners are increasing the use of machinery and the rotation of crops."

A native of the cotton belt in eastern Alabama writes that twelve per cent. is the common interest rate on mortgages, though eight per cent. is the legal rate. The usury laws are violated, not evaded. Crop mortgages are secured by many of the whites and nearly all of the blacks at from twelve to twenty-five per cent. interest. The soil is rather rough for machinery and little is used. The large farms are gradually breaking up into small ones, cultivated by the owners. These are mostly white, but black owners are increasing. The white tenants are fewer and more intelligent and thrifty than the black. But in this section, too, there is increase of machinery, stock-raising and diversification of crops. Alliance stores are playing an important part. The above conditions largely apply to others of the Gulf states, save Texas, which can show a better average.

As we come north to Tennessee, out of the cotton belt into the corn and winter wheat belt, we notice better diet, more use of machinery, less crop mortgages and generally better farm methods, though there is still great room for improvement. An extract from the conclusions of a student in one of the counties of central Tennessee may be here given, and with it this part of the discussion may close:

"As a rule, the farmers and tenants are hard-working people. The lead of a few intelligent, well-informed men is being more and more followed by the majority of the farmers in the adoption of the best machinery and methods. Practically all of the wheat in the county was cut during the last season with self-binders. The use of cultivators, potato diggers and improved plows is constantly increasing. There is a marked improvement lately in the adoption of the plan of rotating crops and in the use of clover to rest and fertilize the ground. Mortgages are very rarely given on the growing crops. Almost all the negroes are either hired by the day or month as laborers on the farms, or they cultivate a few acres on shares for the white owner. Very few are industrious and thrifty enough to acquire the necessary stock and implements for properly cultivating the soil."

Owing, in part, at least, to a wider diversity in crops, the yield of cotton in 1892 was one-fifth less than in 1891; prices were higher and the farmer was benefited. In securing a wise rotation of crops our state agricultural colleges and county institutes are doing much. It would seem as if, with proper support and leadership, they could do more. The extent to which costly farm machinery in every section of the West is still left out of doors all winter to rapidly rust out is surprising.

III. A third cause of the farmer's ills in some sections, such as western Kansas and Nebraska, has been unforeseen natural difficulties, such as drought and grasshoppers. Along the lower Mississippi freshets have worked serious injury. Cannot the special loudness of the farmer's complaints in the two western states just mentioned be largely attributed to this cause? Pub-

lic irrigation might help a little, but it does not seem to the writer advisable to open up thus, or in any other way, much more western land, until, by restriction of the lower type of immigration, we make sure that such improvements will redound to the benefit of those already part of us.

IV. Greater blessings of government in cities, such as better schools and roads. Although there are three hundred bicyclists in Little Rock, Arkansas, yet the roads of Arkansas are so bad that only one town, and that but five miles away, could be reached by them last summer. The general badness of our country roads is known to all state engineers; and state appropriations for country roads (paid largely, as state taxes usually are, by our cities, where wealth centers), and larger appropriations than now for country schools are imperatively needed. To say nothing of other benefits to be gained, these would help to maintain a strong farm population as a nursery for our city workers of the future.

V. Unequal taxation of city and country. While the rich nowhere pay taxes according to their ability, yet the personal property of the farmer, such as live stock, escapes the assessor less readily than bonds, stocks and mortgages, which are chiefly possessed in the cities. The displacement of all personal property taxes by progressive income and inheritance taxes is increasingly favored by students of local taxation as likely, among other benefits, to secure greater justice to the farmer.

VI. Then, in an age of combinations of both labor and capital, the farmers suffer from the difficulty of perfecting a strong organization. Labor organizations often permanently raise wages through a resulting increase of efficiency, but often, too, through higher prices to the consumer. The farmer is unable to strike back. Combinations of capital or wasteful forms of competition have sometimes raised the prices of fertilizers, farm implements, jute bagging, binding twine and the like. Against these combinations of capital the farmers' organizations have often waged costly but in the end successful contests. Sometimes they have done so by securing discounts from some large

manufacturer upon whom purchases would be concentrated. Still, the difficulties of organizing and intelligently managing organizations which are composed of such widely scattered and often ignorant or prejudiced people (as are many, not, of course, all, of our farmers), continues to be a great obstacle to progress, and thus a cause of the farmers' discontent.

VII. Farmers are also naturally made discontented by such rapid accumulations of large fortunes as have been aided by secret railway rates or by securing for almost a song from the public valuable quasi-public franchises. This grievance concerns all society. President Depew, of the New York Central Railroad, while testifying before the Interstate Commerce Committee of the United States Senate recently, is reported as saying that, under the operation of the anti-pooling section of the Interstate Commerce Law, which, in his opinion, tempted the cut rates, "it is a matter of time only when the small dealer who is compelled to pay the regular tariff will go to the wall. If this law continues in force five years longer there will not be an independent business man in any of the large cities of the United States." Space, however, forbids the consideration of this question.

VIII. The farmer also complains of the high rate of interest he must pay. What investigation the writer has been able to make convinces him that the average interest rates on mortgages in western and southern states, as given in our census bulletins, are in some cases below the truth, and in many cases do not take into account the bonus often charged the borrower on making the loan. The average rates of interest on farm mortgages thus far published are given herewith:

TABLE III.

INTEREST ON FARM MORTGAGES.

Maine	6.26%	Iowa	7.53%
New Jersey	5.69%	Missouri	8.15%
District of Columbia	5.99%	Kansas	8.56%
Ohio	6.85%	Nebraska	8.37%
Illinois	6.92%	Alabama	8.13%
Tennessee	6%		

These rates may not be too high in view of the risk involved; but our farmers could probably make the rate one-third less if they would form credit associations like the German Raiffeisen, of about one hundred members each, with unlimited liability. Such an association, in which its members had some property, could surely borrow here, as abroad, at much below the present rate to individuals, and reloan to members at a slight advance, subject as in a building and loan association to regular repayments by installments. Our national Department of Agriculture has well described the German systems.[1]

IX. The farmer feels aggrieved at the supposed forcing down of the prices of his products at harvest time by large sales by the "bears" for future delivery of products not at the time in the possession of the speculator. This grievance has appeared in the Washburn Anti-Option bill now pending in Congress, which aims to restrain the selling for future delivery of that which is not at the time owned or ordered by the seller, except goods "for the use, consumption, or traffic" of the purchaser in his business or home; provided the transaction does not take place on a produce exchange or where gambling might be carried on under cover of the proviso. This supposed grievance has also been a prominent reason for urging the Sub-Treasury bill, now apparently ceasing to command much attention. It is not the intention of the writer to enter upon an exhaustive discussion of this charge of the farmers, but merely to present a few significant facts.

1. It is a common belief among farmers everywhere that it pays as well on the average to sell the crop very soon after harvest as to keep it several months. The cost of storage is something; some crops lose in weight or bulk by standing; and such losses are thought to counterbalance any probable gains from the rise in prices.

2. A large proportion of our farmers, particularly in the North and West, would be able and glad to store their crops six months if, during a series of years, the price averaged twenty or

[1] Mis. Series, Report No. 3, 1892.

even ten per cent. higher than at harvest, account being taken of the depreciation just referred to and of moderate charges for storage. Outside of the poor tenant farmers of the South, our farmers could be trusted to seize a chance of making ten per cent. by holding their crops six months.

3. Since there is no claim, and of course can be none, that prices are permanently depressed by the "short seller," but only that it is temporarily done at the time of harvest and for a few weeks afterward, it becomes all important to compare the prices of farm products at every month in the year. It is to be observed that where there is little or no selling of what one does not at the time own, as in Asia Minor or in most partially developed countries, there is a great fall in price at harvest time. Such was the general experience of Europe and America, we believe, a century ago. Further, we should expect some fall after a very large crop. Mr. Veblen in the first number of this journal has well shown the decline in the price of wheat in recent years in connection with the changed ratio of supply to demand that has occurred in Europe and Asia quite as much as in America. In Table IV are given the mean of the highest and lowest prices of wheat in Chicago for the eight years 1885–1892 inclusive. The figures for the first seven years are compiled from the Report of the Chicago Board of Trade for 1891 (p. 12). The figures for 1892 are taken from *The Economist*, the weekly financial journal of Chicago, Jan. 1, 1893.

TABLE IV.

NO. 2 SPRING WHEAT, AVERAGE MONTHLY PRICE.

	1885	1886	1887	1888	1889	1890	1891	1892
January	78.6	81.7	79.4	78.	99.8	77.	90.6	87.3
February	77.6	80.8	75.1	75.7	100.1	75.1	94.8	88.
March	75.9	80.8	73.6	74.4	96.8	78.3	97.6	84.1
April	81.4	75.9	80.3	76.1	92.9	82.9	105.1	81.3
May	89.8	89.8	84.1	84.9	82.1	92.8	106.8	82.9
June	86.4	86.4	81.1	83.4	78.8	89.	98.5	84.9
July	88.1	88.1	69.7	80.5	79.6	86.7	90.6	78.3
August	84.6	85.1	68.4	84.4	77.6	96.4	97.1	77.
September	80.	79.8	68.5	95.3	77.3	100.2	96.8	73.6
October	87.3	87.2	70.2	108.	81.9	98.4	95.6	71.9
November	87.8	87.9	73.2	116.4	79.7	95.4	93.8	71.6
December	84.2	84.1	76.6	106.1	78.1	91.9	90.9	71.3

Spring wheat is ready for market in September and October. Now we notice from the table that in three years of the eight the September prices were higher than those of December, and in four years, higher than those for January; while the October prices exceeded the December prices in every year but one, and in five years of the eight exceeded the January quotations. Table V gives the monthly averages. It will surprise many

TABLE V.

MONTHLY AVERAGE PRICE, 1885—1892, NO. 2 SPRING WHEAT, CHICAGO.

September	83.9	January	82.8	May	89.2
October	87.6	February	83.4	June	86.6
November	88.2	March	82.7	July	82.7
December	85.4	April	84.5	August	83.8

It proves that the lowest prices, 82.7 cents to 83.8 cents, were either some time after harvest, as in January and February, or before the harvest, as in March, July and August, and that while the price in September averaged only 83.9 cents, it jumped in October, when probably more spring wheat is going to market than in September, to 87.6 cents, and in November to 88.2 cents. The latter price is only exceeded by May, 89.2 cents. The average price of September and October combined, 85.8 cents, is only exceeded by November-December, 86.8 cents, and May-June, 87.9 cents. The difference in May and June would be more than accounted for by interest, storage and depreciation, showing that so far from prices being unduly depreciated by the "bears" at harvest time, prices are then really higher, considering storage, etc., than at any time after November. The average price in September, October and November taken together is 86.6 cents. For the next three months, December, January, February, it is 83.9 cents. For the next three months, March, April and May, it is 85.5 cents and for June, July and August, it is 84.4 cents.

Of the 75,942,674 bushels of wheat received at Chicago in 1889, 1890 and 1891, there came in August 18.1 per cent., in September 17.1 per cent., in October 14.4 per cent., and in November the same, though most of the August receipts were of old grain or of winter wheat. What was the average price of wheat in these four months, when 64 per cent. was received

during the three years for which alone returns are in the hands of the writer? It was 85.9 cents, as contrasted with an average of only 84.7 cents during the remaining eight months of the year, which included only 36 per cent. of all the grain receipts.

The figures tell their own story. They not only show that there is no fall in prices at harvest when we should most expect it, but they reveal a remarkable evenness of prices between all the months over a series of years. Even the May price of 89.2 cents is only 6.5 cents, or 7.8 per cent. above the lowest, 82.7 cents, in March and July.

Let us next turn to the Chicago figures for corn of the standard No. 2 grade, which are given in Table VI, being compiled in the same way as Table IV, and covering the ten years 1883–1892, inclusive.

TABLE VI.

MEAN MONTHLY PRICE OF NO. 2 CORN, CHICAGO, 1883–1892.

	1883	1884	1885	1886	1887	1888	1889	1890	1891	1892	Average
January	55.1	54.4	36.8	36.6	36.4	48.8	34.3	29.1	48.8	38.3	41.86
February ...	56.9	53.5	37.3	37.3	34.7	47.2	34.4	28.3	52.3	40.1	42.2
March	54.5	52.6	39.3	37.1	35.5	47.5	34.5	28.7	62.	39.	43.07
April	51.3	50.1	44.7	35.3	36.3	51.9	34.4	31.3	70.7	41.	44.7
May	54.7	54.8	46.9	35.5	38.8	57.2	34.4	33.9	57.3	70.3	48.38
June	53.8	53.9	46.6	34.8	37.	51.2	34.6	33.9	58.1	51.	45.49
July	50.	52.8	46.7	39.8	36.6	45.3	36.	40.3	51.5	49.6	44.86
August.....	51.3	53.	45.3	42.	40.3	45.3	34.8	48.	63.2	51.8	47.5
September..	49.8	69.4	43.	38.7	42.	43.3	32.5	47.5	58.4	46.2	47.08
October	47.9	50.3	42.3	34.8	41.7	43.6	32.	50.	55.3	42.4	44.03
November ..	51.8	40.1	43.3	36.2	44.1	38.8	45.9	51.5	63.5	41.8	45.7
December ..	58.5	37.4	39.4	36.9	49.	34.8	32.	50.4	49.3	41.4	42.91

Corn is harvested in September to November. The largest receipts of corn in Chicago for 1889, 1890, 1891, were in August and September. Corn, however, comes in large quantities at all months. We notice in the table that the price in August and September averaged between 47 and 47.5 cents a bushel, that it fell three cents to 44 cents in October, and went back to 45.7 cents in November. The average price of these four months, during which the crop is made ready for the market and is largely sold, was 46.2 cents, as compared with 42.9 cents in December, 41.8 cents in January, 42.2 cents in February, and 43 cents in March. The average of this second four months was only 42.5 cents, which was less than August, September, October

or November. Thus, so far from prices of corn being depressed by the combined influence of large sales by farmers and of speculative sellers at the harvest time, it appears that the contrary is true. The farmer loses by holding back his product. In the four months of April, May, June and July the average price was 45.36 cents, which was also less than in the fall. May was the only month from November to August that equaled the August, September or November quotations, and that was only due to the phenomenal effect as regards price quotations of an attempted corner in May, 1892, which did not force prices down but raised them for a few days from forty cents to a dollar and thus brought up the May average two cents.

Precisely similar equality of price throughout the year, subject to the same exception of a rise in May, when the "bulls" regularly create a scare lest the forthcoming crop will be poor, is seen in oats. In Table VII is given the mean price of No. 2 oats in Chicago for every month of the eight years 1885–1892. The average price for July, August, September and October was 28 cents, and for November, December, January and February only 29.2 cents. In March, April, May and June it was 31.1 cents.

TABLE VII.

AVERAGE PRICE OF NO. 2 OATS IN CHICAGO.

	1885	1886	1887	1888	1889	1890	1891	1892	Average
January	28.4	28.1	——	31.3	24.8	20.3	42.3	30.3	29.4
February	28.8	29.4	24.6	28.	25.3	20.4	44.9	28.	28.7
March	28.5	29.3	23.9	31.2	25.8	20.6	49.1	30.3	29.8
April	34.2	28.8	25.9	32.1	24.6	23.	53.8	29.4	31.5
May	35.8	28.5	26.3	33.8	23.	27.3	52.5	31.2	32.6
June	33.9	26.8	25.4	33.5	22.5	27.5	41.6	33.7	30.6
July	32.5	28.3	25.9	30.6	22.2	30.5	34.8	33.8	29.6
August	28.5	27.1	24.5	24.7	21.2	35.1	28.8	32.7	27.8
September	25.9	25.9	24.9	24.6	19.2	36.	28.4	34.1	26.7
October	25.8	25.8	26.	23.7	19.2	40.8	28.3	31.6	27.7
November	27.5	26.1	26.1	25.3	19.5	42.6	31.9	31.1	28.8
December	29.7	26.5	29.8	26.1	20.5	42.3	32.1	31.5	29.8

In order, however, to get close to the farmer, who sometimes with little apparent reason claims that the Chicago quotations bear little relation to what he gets at the nearest elevator or market town, let us study Table VIII, compiled for the writer by Mr. W. C. Branham of Nashville, Tenn. It gives the average

price of choice wheat actually obtained by the farmers in Nashville for each month of the five years 1887–1891, according to the weekly quotations in the local papers.

TABLE VIII.
AVERAGE MONTHLY PRICE OF CHOICE WINTER WHEAT, NASHVILLE, TENN., 1887–1891.

	1887	1888	1889	1890	1891	Average
January	85.5	88.5	1.00	79.5	98	90.2
February	86.5	87	99	79.5	1.02	90.8
March	87	86	99.5	79.5	1.06	91.6
April	85	87	99.5	85	1.10	93.3
May	85	90	84	93	1.10	92.4
June	81	88	84	93	1.05	90.2
July	74	80	78.5	88	82	80.5
August	72	78	80	1.01	91	84.4
September	75	86	80	1.07	93.5	88.3
October	76.5	91	80.5	1.04½	97	89.9
November	80	1.05	80.5	1.01	97	92.7
December	86	1.00	79.5	1.00	94	91.9

The new winter wheat is brought to market, or is ready for sale in June and July. We notice that the July price, 80.5 cents, is ten cents below that of June, and that the price gradually rises, until in October it is within one-third of a cent of the June price, and then fluctuates between 90 and 93.3 cents until June. Can this greater depression at harvest time in Nashville than in Chicago be in a measure attributable to the partial absence of the speculator in the former, and partly to the greater inability of southern than of northern farmers to hold back their crops?

The monthly average for corn in bulk is given in Table IX.

TABLE IX.
AVERAGE MONTHLY PRICE OF CORN IN BULK, 1887–1891, NASHVILLE, TENN.

	1887	1888	1889	1890	1891	Average
January	41	57	35	29.5	59	44.3
February	41	57	35	30	60	44.6
March	40	59	34	30	66	45.8
April	40	59	34	33	78	48.8
May	43	65.5	37	41	74	52.1
June	45	58	38	41	72	52.8
July	45	58	38	43	74	53
August	46	53	38	56	69	52.4
September	47	47	35	54	68	50.2
October	47	45	35	56.5	60	48.7
November	49	40	32.5	58	48	45.5
December	55	38	36	61.5	41.5	46.4

Corn in Nashville is ready for market in October and November. Prices were about the same then as during the next four months. During June and July prices were 16 per cent. higher than in November. Perhaps if the investigation had covered more years the range of prices would not have been so great.

In the Report of the Pennsylvania Bureau of Industrial Statistics for 1889 (pp. 225–241 A) Mr. A. S. Bolles gives full quotations for wheat in seven local markets in the state—Carlisle, Chambersburgh, Pittsburgh, Philadelphia, Troy and Bellefontaine, —for every January, April, July and October of the fourteen years 1876–1889, inclusive. Computations from these figures reveal the average July price to be $1.10, the October price $1.02, the January price $1.09 and the April quotations $1.10.

Similarly in corn, the average October price was 53.6 cents; in January it was the same; in April, 51, and July, 52.6 cents. It was only in products perishable and dependent on the time of the year for large output, like chickens, eggs and butter, that fluctuations reached from 20 to 50 per cent. on the average between January, April and July.

The conclusion of this part of the discussion is that the charge against the speculator of forcing down prices at the time of harvest remains unproven. Rather does it seem that in non-perishable products there is a remarkable evenness of price at various seasons of the year, if we take, as we should, the average of several years. Of course, this does not affect the argument against some dealings of the stock market as a species of gambling which rouses the feverish interest of many and diverts them from surer production of wealth.

X. Last, but by no means least, the farmer complains of the general fall in agricultural prices in recent years, which has made his mortgage-loan, contracted when prices were high, more and more burdensome. Several things must be noted.

1. There is no doubt as to a general fall in prices, including agricultural prices, throughout Europe and America. Professor Taussig[1] furnishes later figures from Soetbeer which complete

[1] "The Silver Situation in the United States," p. 92.

his table and show that gold prices fell 12 per cent. from 1880 to 1890 and 22 per cent. from 1873 to 1890. The exhaustive report of the United States Senate Committee on Retail Prices[1] indicates a continuance of the decline, as do, also, the index numbers of twenty-two staple commodities published by the London *Economist* and the later index numbers of Mr. Sauerbeck in the first number of this journal.

2. The prices of what the farmer buys have fallen even faster than those of what he sells. Mr. Branham, from a careful study of prices in Nashville, Tennessee, for ten years, ending July 1, 1892, reached the conclusions given in Table X. The prices of farm products are the average prices for the calendar year, save for the last year, which is July 1, 1891 to June 30, 1892.

TABLE X.

VALUE.

Implements.	Money.			Wheat. Bushels.			Corn. Bushels.			Oats. Bushels.		
	1882	1887	1892	1882	1887	1892	1882	1887	1892	1882	1887	1892
Mower	$ 70	$ 60	$ 35	61.4	76.9	38.4	83.7	132.7	64.8	125.6	165.7	82.
Hay Rake (Horse)	20	20	15	17.5	25.6	16.4	23.9	44.2	27.7	35.9	55.2	35
Self Binder	300	200	125	263.1	258.9	137.3	358.8	442.5	231.5	538.7	552.5	295.
Thresher (Medium)	450	425	375	394.7	544.8	412	538.2	940.2	694.4	807.9	1,174	886.
Harrow	4	3.50	2.50	3.4	44	2.6	4.7	7.7	4.6	7.2	9.7	5.
Cultivator (2-Horse)	30	25	20	26.3	31.4	21.4	35.9	55.5	37.04	53.8	69.3	47.
Plow (2-Horse)	10	10	8	8.8	12.8	8.8	11.8	22	14.8	17.8	27.6	18.
Corn Sheller	10	10	8	8.8	12.8	8.8	11.8	22	14.8	17.8	27.6	18.
Wagon (3-inch) complete	59	55	50	51.7	70.5	54.9	71.7	121.6	92.5	106	151.9	133
Hoe Drill (2-Horse)	60	55	40	51.6	70.5	44	71.8	121.6	74	107.6	151.9	94.
	$1,013	$863.50	$678.50	888.3	1,108.6	743.6	1,213.3	1,890.2	1,256.1	1,818.3	2,328.4	1,618.

It thus appears that to buy an outfit of the more costly farm machinery less wheat and oats was required in 1891–2 than in 1882, and of corn, the chief crop of central Tennessee, only 3.5 per cent. more. Conditions were worse for the farmer in this particular in 1887 than in 1882 or 1892. A similar careful investigation by another student, Mr. L. S. Merriam, gave approximately the same results at Chattanooga, Tennessee. Evidence of a much greater fall in the price of farm implements and machinery than of wheat, corn and oats from 1873 to 1889 in St. Louis is presented by Mr. Cowperthwait.[2]

[1] LII Congress, 1st Sess., Report No. 986.

[2] "Money, Silver and Finance," pp. 83–4.

In the report for 1890 of the Pennsylvania Bureau of Industrial Statistics (pp. 6A and 46A) appear quotations of prices for several years in what is regarded by the commissioner as a typical country store in Chester county of that state. Compilations from those figures show that the average decline in wheat in that section from the average of 1880 and 1881 to that of 1889 and 1890 was 29.1 per cent., in corn, 16.9 per cent., and in oats, 15.4 per cent. During the same time the decline in the more costly farm machinery quoted was 33.9 per cent., in the lesser farm implements, such as shovels, rakes, hoes, scythes and pitchforks, it was 26 per cent., and the average rate of decline in ten selected staples of common use, such as sugars, tea, coffee, salt and standard cottons, calicoes, ginghams and coarse boots, was 15.3 per cent.

In the exhaustive study of wheat prices in Chicago and New York presented by Mr. Veblen in the first number of this journal, it is shown that the decline in the ten staple articles of use by farmers (iron, wool, standard sheetings, leather, linseed oil, salt, fish, sugars, coffee and molasses) in American wholesale markets more than kept pace with the average fall in wheat, corn, oats, beef, pork and lard in New York and Chicago during the years 1873–1891, inclusive. (See Mr. Veblen's Chart No. III.)

3. The general fall in prices since 1880 has been burdensome to the debtor class, to which farmers largely belong; for it has required the payment of debts in more and more commodities. An able argument has been presented[1] by Mr. Merriam to show that falling prices are just, when values, considered by him as quantities of final utility, have fallen. The value of a given quantity of any commodity, not necessarily the total value of all commodities, is held to have fallen because of a decline in marginal utilities. It is argued that, in the midst of declining values of commodities, the result or accompaniment of increased ease of production, justice requires the creditor to be paid not in that which would purchase the same quantity and quality of

[1] *Annals of the American Academy of Political and Social Science*, January, 1893.

consumable goods, as many bimetallists claim, or that which would require for production the same labor, as some monometalists argue, but that the creditor should be repaid in that which will purchase social satisfactions or quantities of marginal utilities equal to that purchased by the original loan,—which would mean more commodities than the debt would have purchased when contracted.

But such a claim, if admitted, would mean that if a man did not loan, but went into business himself, and by such means as his brain power in organization, or development of improved processes, greatly increased the efficiency of production and thus lowered marginal utilities, he must turn over this gain to the creditor, whose sacrifice is ordinarily supposed to be repaid by the interest.[1]

Would not this forcing upon the business men—the debtor class—of all the pains of progress act as an undue handicap to this class and an undue temptation to the creditor class to stand aloof from active business, while society guaranteed to the latter immunity from the tendency of all fixed capital to depreciate with every improvement or increase of supply? Since an increase of values is the object of the business man, and since values, we are told by Mr. Merriam, are likely in time to enter upon a decline, and since we are further told that the creditor must always get back all the values he loans, does it not follow that our leading business men, who are predominantly debtors, must not simply work without profit but must see their values constantly decline?

[1] The increasing efficiency of industry is due mainly to improvement in machinery, organization or skill. Now these improvements are due to those who participate in production as inventors, entrepreneurs or workers. Hence, to these groups, constituting, as they do, the body of *present* producers, belongs the reward. The creditor as such is a *past* producer, the capital he lent being the product of labor at some past period. Then why, as past producer, should he have the right to enjoy the superior excellence of present production? Suppose, however, the creditor has been not only a creditor, and hence an interest receiver, but also an active producer, as inventor, entrepreneur or workman. In this case I reply, Verily, he has his reward. As a participant in production he gets his share of the benefits of industrial progress. Cf. EDWARD A. ROSS, in *Annals of American Academy, etc.*, November, 1892, p. 47.

4. Whether we do or do not admit that debtors in general have been unjustly treated by the decline in general prices of the last twenty-five years, it can be easily seen that the farmer has suffered thereby. The fall in prices of manufactured goods could be very largely recompensed to the producer by improvements introduced by him; but for the farmer this was only partly possible. The relatively faster increase of supply of his products since 1867 than of the demand for them was due as much to the opening up of new sources of supply in our far West, in Russia, India and many other places, as to any improvements applicable to our older farms. There have been exceptions but such has been the rule.[1]

The way in which the farmer has suffered, as well as the effect of the general question of appreciation of money, may be made clearer to some by the following illustration. Let us take wheat as an example of farm products and shoes as an example of manufactured goods; and let us suppose the condition a generation ago to be somewhat as follows:

(1) 100 bushels of wheat = 100 days' labor = $200;
50 pairs of shoes = 100 days' labor = $200.

(2) Suppose improvements secure double production at the same sacrifice as before, and suppose money not to have increased but half as fast as the increase of demand for it, then,

200 bushels of wheat = 100 days' labor = $200;
100 pairs of shoes = 100 days' labor = $200.

Such would have been the situation to-day had the farmers been able to recoup themselves by improvements. The actual situation is typified in (3):

(3) Suppose, as in (2), only that the increased quantity of wheat, which reduced the price one-half, did not altogether come from the old farms. Then for the farmer who has been in business many years the following represents the present situation:

150 bushels of wheat = 100 days' labor = $150;
100 pairs of shoes = 100 days' labor = $200.

[1] Cf. Professor Taussig, "Silver Situation in the United States," p. 101.

Evidently the farmer who could not double his product with the general doubling of the supply is handicapped in comparison with the manufacturer who did double his product. To pay a debt of $200 will now take not only more commodities of both the manufacturer and the farmer but will take 133⅓ days' labor of the latter instead of 100.

Thus two results have followed from the gradual appreciation of money, or what is the same thing, the fall in prices connected with the slower increase of money than of demand for its use. First, the creditor cannot merely get as much labor now as ever, though commodities are more important to the consumer than hired labor, but he can buy more (in our illustration a double amount) of the commodities than his loan would originally command, while the debtor has stood still, thus allowing the creditor to reap results of modern progress that were more directly due to the debtor. In view of this injury to the debtor class, especially among the farmers, by the general fall in prices, which is the same as a rise in the value of money, the question naturally arises whether a remedy could be found in a more rapid increase of money in western Europe and America by an international agreement, if Europe would consent. The question is too large a one to be discussed in this article, but the importance of increasing the quantity of the world's money in a time of falling prices is, in the writer's opinion, emphasized by the figures elsewhere given in this issue, which show that payments over the counters of our national banks from 1881 to 1892 have been more and more proportionally in money, instead of the reverse, as for some years has been supposed.

To sum up, we have concluded that much of the relative decline in farm population and wealth is an inevitable accompaniment of advancing industries and social well being; that the farmer cannot show a lower price of his products immediately after harvest than during the rest of the year, thanks in part, it may be, to the derided speculator, though some forms of specu-

lation are as demoralizing to public morals as the Louisiana lottery. Lack of intelligent methods of farming, unforeseen natural difficulties in some sections, poor roads and often poor schools, unequal burdens of taxation, complaints as to railroad discriminations and high rates of interest have been briefly touched upon; and it has been held that the farmer as a debtor has been injured by the fall in prices in a way that neither he, nor any one government acting alone, apparently, could help. But a large portion of the troubles of the farmer, so far as they are real, can be remedied. To a considerable degree, in a strictly economic sense, the farmer is not as much worse off than the wage-earner or the clerk as he thinks. He often has a little surplus at the end of the year in addition to good food, a comfortable home, a sense of freedom, and many privileges. A large portion of the residents of our cities could not say as much. Still, some of the grievances of the farmer are real. They demand and will secure a full, a sympathetic consideration on the part of society at large.

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